

XX.X ROLLOVER RIGHTS FOR LONG-TERM FIRM SERVICE

xx.xx Overview

Pursuant to Section 2.2 of the Tariff, long-term firm transmission service customers (Network Integration Transmission Service (“NITS”) customers and Long Term Firm Point-to-Point (“LTFPTP”) customers) with contracts of five years or longer have a right to rollover their service for any number of years provided that:

- British Columbia Transmission Corporation determines at the time of the initial request that there is sufficient capacity available to accommodate the request beyond the term of the initial service request as described in Section xx.xx of this Business Practice.
- The Rollover Request is considered as a new service request with the exception that (a) a rollover request does not need to be studied in the same manner as a new request and (b) the customer requesting to rollover existing service request has the Right of First Refusal (ROFR) in the event of a competing request.
- The Rollover Request customer accepts a reservation term for the rollover at least as long as that offered by any competing customer.

xx.xx Transition

This business practice will be in effect on <insert date (**Date 1**)>, in accordance with the British Columbia Utilities Commission (BCUC) approval on <insert date (**Date 2**)> of BCTC’s <insert title of BCTC compliance filing to implement the reforms to the pro forma OATT under FERC Order No. 890> to comply with the reforms to the pro forma OATT contained under FERC Order No. 890.

This section defines the transition rules in the intervening period prior to when all firm transmission service customers will be governed by the same rollover rights provisions in Section 2.2 of the OATT [*effective **Date 1***].

xx.xxx Transition Rules

Customers with long term firm transmission service requests currently in BCTC’s transmission queue as of <**Date 1**> that subsequently execute contracts of one year or longer have a right to rollover their service for any number of years, but subject to the conditions provided above in Section xx.xx Overview. For such customers, the five-year contract commitment requirement and one-year notice will not apply until the first rollover.

Customers with existing long term firm transmission service as of <**Date 1**> have a right to rollover their service for any number of years provided British Columbia Transmission Corporation determines at the time of the initial request that there is sufficient capacity available to accommodate the request beyond the term of the initial service request. The following conditions apply to the roll-over of such services:

- Any customer with an existing contract that has less than five years left in its term as of **<Date 1>**, is required to give 60-day notice of whether it intends to exercise its roll-over right.
- Any customer with an existing contract that has five or more years left in its term as of **<Date 1>**, is required to give one year notice of whether it intends to exercise its roll-over right.
- Whether an existing long-term firm transmission customer is required to give 60-days or one-year notice when exercising its rollover right under its existing contract, the customer must enter into a minimum of five years of service and meet any of the other requirements of the reformed rollover right in order to retain a rollover right going forward.
- Any existing long-term firm transmission customer that has given 60-days notice prior to **<Date 1>** to begin its rollover of service subsequent to **<Date 1>** will retain its rollover right on service of one year or longer, but subject to the conditions provided above in Section xx.xx Overview. For such customers, the five-year contract commitment requirement and one-year notice will not apply until the next applicable rollover date associated the service.

xx.xx Evaluation of Initial Requests

When a customer requests LTFPTP transmission service, British Columbia Transmission Corporation will evaluate the request for periods beyond the Stop Time of the request to determine if rollover will be available for future periods based on existing long-term firm commitments. If this evaluation determines that insufficient capacity is available to accommodate the request in potential future rollover periods, the Service Agreement will stipulate that the customer will not be permitted to rollover its service beyond the period where sufficient capacity exists.

The above evaluation includes situations where a transmission service request is analyzed before a higher queued priority competing request if the two requests cover different request periods. For example, British Columbia Transmission Corporation received two requests, an earlier queued request (A) for yearly service in 2008 (one year) and the later queued request (B) for service in 2007 (one year) and transmission capacity is available for each request in their respective time periods but not available for both transactions to occur simultaneously. Under this situation, British Columbia Transmission Corporation will offer service to B with no rollover right subject to the condition that service to A is confirmed.

xx.xx Rollover Request

The customer requesting to rollover existing service must submit a Rollover Request on OASIS pursuant to Section 17.1 or Section 29.2 of the Tariff, as applicable to LTFPTP or NITS customers, respectively. The Rollover Request must be received by BCTC no less than one year prior to the date on which the reservation expires, rolls over, or is renewed.

xx.xx Competing Request

A new request for LTFPTP service submitted on OASIS to British Columbia Transmission Corporation by an Eligible Customer is considered a Competing Request for the same capacity with the Rollover Request of either a LTFPTP customer or a NITS customer if:

1. the new request has the same Start Time as the Rollover Request and extends beyond the Stop Time of the Rollover Request;
2. the new request is submitted prior to the Rollover Request; and
3. there is insufficient ATC to accommodate both the new request and the Rollover Request.

A new request is not a Competing Request if it was determined by British Columbia Transmission Corporation that service cannot be granted to the new request due to constraint(s) not applicable to the Rollover Request.

xx.xx Competing Process

Upon deeming an application for a Rollover Request complete, British Columbia Transmission Corporation shall immediately notify the Rollover Request customer by e-mail that the Rollover Request is accepted on the condition that the Rollover Request customer may be required to match on term to any Competing Request.

British Columbia Transmission Corporation will identify all Competing Requests as described in Section **xx.xx** of this Business Practice and establish their Competing Priority. The Competing Priority determines the sequence of Competing Requests, whose terms the Rollover Request has to match and is established according to their service queue priority.

British Columbia Transmission Corporation will post Rollover Requests and Competing Requests with their Competing Priority on its website.

British Columbia Transmission Corporation shall start the Competing Process as soon as practicable. British Columbia Transmission Corporation shall notify Rollover Request customer(s) and Competing Request customer(s) of the date the Competing Process begins.

British Columbia Transmission Corporation will process the Competing Requests, one at a time, starting with the Competing Request with the highest Competing Priority on OASIS as follows:

1. British Columbia Transmission Corporation shall notify the Competing Request with the highest Competing Priority via e-mail of a counter-offer. The counter-offer will contain the following conditions:
 - i) MW amount does not exceed the capacity held by the existing Rollover Request customer; and
 - ii) Rollover Request does not exercise its ROFR.

2. The Competing Request customer shall confirm its acceptance of the counter-offer within 15 Calendar Days via e-mail. If the Competing Request customer does not confirm the counter-offer within the specified time period, British Columbia Transmission Corporation shall consider that the Competing Request customer has refused the counter-offer and remove the Competing Request from the Competing Process. British Columbia Transmission Corporation shall then make a counter-offer to the Competing Request with the highest Competing Priority amongst the requests that remain in the Competing Process.
3. Once the counter-offer is accepted by a Competing Request customer, British Columbia Transmission Corporation shall within one (1) Business Day notify the Rollover Request customer of a required match to the Competing Request via e-mail. The Rollover Request customer may:
 - i) submit on OASIS a Rollover Matching Request which is a new request that has the same attributes of the initial Rollover Request, except with a term matching that of the Competing Request and PRECONFIRMED Yes.
 - ii) submit the Rollover Matching Request within three (3) Business Days after the day notification is made.
4. If the Rollover Request customer:
 - i) submits a Rollover Matching Request, within the specified time period, the Rollover Matching Request will be granted. The Rollover Request customer will be required to execute a Service Agreement for the Rollover Matching Request.
 - ii) does not submit a Rollover Matching Request within the specified time period, British Columbia Transmission Corporation will grant the capacity held for the Rollover Request customer to the Competing Request. The Competing Request customer will be required to execute a Service Agreement for the capacity granted.

If there is more than one Rollover Request, then British Columbia Transmission Corporation shall subject the Rollover Requests to competition based on the time the rollover request is submitted i.e., the Rollover Request submitted last in time is the first to be asked to match a new Competing Request.

A LTFPTP customer with redirected service on a non-firm basis can only request to rollover the firm service as specified in its Service Agreement.

xx.xx Examples

For the following examples, it was assumed that any Competing Request can be accommodated up to 100 MW held by the Rollover Request without constraints.

xx.xxx Example 1

Conditions

- Rollover Request, A, requested to rollover a 100 MW service for 1 year, from January 1, 2009 to December 31, 2009.
- There was no restriction to A's rollover right.
- Competing Request, B, submitted earlier than A, requested a 100 MW service for five (5) years, from January 1, 2009 to December 31, 2013.
- Competing Request, C, submitted earlier than A but later than B, requested a 100 MW service for ten (10) years, from January 1, 2009 to December 31, 2018.

Process

Step 1

1. A was asked to match the term of B.
2. A matched the term of B.
3. A was granted to rollover its service of 100 MW for five years with further rollover right.
4. The Competing Process was concluded.

xx.xxx Example 2

Conditions

- Rollover Request, A, requested to rollover a 100 MW service for five (5) years, from January 1, 2009 to December 31, 2013.
- There was no restriction to A's rollover right.
- Competing Request, B, submitted earlier than A, requested a 50 MW service for fifteen (15) years, from January 1, 2009 to December 31, 2023.
- Competing Request, C, submitted earlier than A but later than B, requested a 50 MW service for ten (10) years, from January 1, 2009 to December 31, 2018

Process

Step 1:

1. A was asked to match the term of B.
2. A refused to match the term of B.
3. B was granted service of 50 MW for fifteen (15) years with rollover right.

Step 2

1. A was asked to match the term of C.
2. A matched the term of C.
3. A was granted to rollover 50 MW of its service for 10 years with rollover right.
4. The Competing Process was concluded.

xx.xxx Example 3

Conditions

- Rollover Request, A, requested to rollover a 100 MW service for 1 year, from January 1, 2009 to December 31, 2009.
- There was no restriction to A's rollover right.
- Competing Request, B, submitted earlier than A, requested a 25 MW service for ten (10) years, from January 1, 2009 to December 31, 2018.
- Competing Request, C, submitted earlier than A but later than B, requested a 50 MW service for five (5) years, from January 1, 2009 to December 31, 2013.

Process

Step 1:

1. A was asked to match the term of B.
2. A refused to match the term of B.
3. B was granted service of 25 MW for ten years with rollover right.

Step 2

1. A was asked to match the term of C.
2. A refused to match the term of C.
3. C was granted service of 50 MW for five years with rollover right.

Step 3

1. A was granted to rollover 25 MW of its service for one year without rollover right.
2. The Competing Process was concluded.

xx.xxx Example 4

Conditions

- Rollover Request, A, requested to rollover a 100 MW service for 1 year, from January 1, 2009 to December 31, 2009.
- There was no restriction to A's rollover right.
- Competing Request, B, submitted earlier than A, requested a 1000 MW service for ten (10) years, from January 1, 2009 to December 31, 2018.

Process

Step 1

1. A was asked to match the term of B.
2. A refused to match the term of B.
3. 100 MW was granted to B as part of its partial interim service for ten years pending the result of its System Impact Study.
4. The Competing Process was concluded.